



**APPROVED**

Movant shall serve copies of this ORDER on any pro se parties, pursuant to CRCP 5, and file a certificate of service with the Court within 10 days.

**Dated: Jun 09, 2011**

**Brian Whitney**  
**District Court Judge**

**FILED BY: DORRINE** INDICATED ON ATTACHMENT

**CO Denver County District Court 2nd JD** DATE FILED: June 9, 2011 12:04 AM

**Filing Date: Jun 9, 2011** CASE NUMBER: 2010CMB168

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DISTRICT COURT, CITY AND COUNTY OF DENVER,  
COLORADO

1437 Bannock Street  
Denver, Colorado 80202

STATE OF COLORADO, *ex rel.*  
John W. Suthers, Attorney General,

Plaintiff,

v.

PATRICK C. BRUNNER, an individual; JERRY OHU, an individual; GREGORY D. HOFFMAN, an individual; WILLIAM J. SCHULTZ, an individual; FORTUNE FINANCIAL GROUP, LLC, a Colorado limited liability company; and PLATINUM FINANCIAL GROUP, a sole proprietorship,

Defendants.

▲ COURT USE ONLY ▲

Case No.: 2010cv8168

Courtroom: 203

**CONSENT JUDGMENT AND PERMANENT INJUNCTION AGAINST WILLIAM J. SCHULTZ**

Plaintiff, the State of Colorado, *ex rel.* John W. Suthers, Attorney General (the “State”), and Defendant, William J. Schultz (“Defendant”), (collectively the “Parties”) state that they have fully and finally resolved all disputes between them arising out of the conduct alleged in the Complaint filed on October 14, 2010. As such, the Parties present to the Court this Consent Judgment and Permanent Injunction (“Consent Judgment”). By their authorized signatures, the Parties stipulate to the Court that they understand and agree to the terms of this Consent Judgment; that they had an opportunity to consult with legal counsel concerning this Consent Judgment; that they accept the legal consequences involved in agreeing to this Consent Judgment; that they waive all rights of appeal from this Consent Judgment; that they are aware of the duties placed upon them by the Consent Judgment and are desirous and capable of carrying out their duties in full; that they waive issuance and service of writ of injunction; and that this

Consent Judgment represents a compromise and settlement of all matters arising out of facts alleged by the State in the Complaint filed on October 14, 2010.

The Parties submit to the jurisdiction of this Court and venue in the City and County of Denver, and do not contest the entry of this Consent Judgment.

As all Parties have approved and agree to entry of this Consent Judgment by their authorized signatures below, the Court, after being fully advised in this matter, FINDS, CONCLUDES AND ORDERS AS FOLLOWS:

- i. That it has jurisdiction of the Parties and subject matter of this suit;
- ii. That the settlement of this suit is fair, reasonable, and just; and
- iii. That it would be in the best interest of the Parties if the Court approves the settlement and renders judgment accordingly.

Based on these findings, and having considered the representations made by the Parties, the Court is of the opinion that a permanent injunction should be issued as set forth in this Consent Judgment, and that the State is entitled to recover from Defendant as follows:

#### **PERMANENT INJUNCTION**

1. Defendant William J. Schultz, and any other persons or entities under his control or in concert or participation with him, shall be permanently enjoined from:

- (a) Engaging or otherwise participating in mortgage loan origination, mortgage brokerage activity, mortgage assistance, mortgage relief, foreclosure consulting, loan modifications, real estate activity, real estate sales, short sales, appraisals, title services, underwriting, lending, or loan or forensic audits in any capacity;
- (b) Soliciting, advertising, selling, marketing, displaying, offering, performing, or accepting payment for, services, including lead generation and product sales, relating to mortgage loan origination, mortgage brokerage activity, mortgage assistance, mortgage relief, foreclosure consulting, loan modifications, real estate activity, real estate sales, short sales, appraisals, title services, underwriting, lending, or loan or forensic audits; and
- (c) Publishing, distributing or disseminating any information, including written, oral, or video, to accept or receive, directly or indirectly, payment relating to mortgage loan origination, mortgage brokerage activity, mortgage assistance, mortgage relief, foreclosure consulting, loan modifications, real estate activity, real estate sales, short sales, appraisals, title services, underwriting, lending, or loan or forensic audits.

2. Defendant shall comply with the Colorado Consumer Protection Act (CCPA), C.R.S. §§ 6-1-101 – 6-1-1121, as now constituted or as may hereafter be amended in conducting business in the state of Colorado.

3. Defendant agrees never to apply in Colorado for a mortgage loan originator license or a real estate broker license. If Defendant applies for any professional license, including a mortgage broker license, real estate broker license, appraiser license, insurance license, or securities license, in any state, he will notify the licensing body of that state of the existence and terms of this Consent Judgment. Additionally, Defendant agrees to notify the State in writing within thirty (30) days of the application for any professional license, including a mortgage broker license, real estate broker license, appraiser license, insurance license, or securities license, in any state.

## **MONETARY RELIEF**

### **Disgorgement/Restitution**

4. Defendant shall pay \$2,000 to the State of Colorado for disgorgement/restitution pursuant to C.R.S. § 6-1-110(1) in accordance with the payment schedule below. These funds, and any interest thereon, shall be held in trust by the Attorney General for purposes of making restitution to the persons harmed by the conduct alleged in the Complaint. Such funds shall be distributed by and at the discretion of the Attorney General, and can be distributed without awaiting the satisfaction of all payments by Defendant.

### **Civil Penalties**

5. Defendant shall also pay \$1,000 to the State of Colorado for a civil penalty pursuant to C.R.S. § 6-1-112(1)(a) in accordance with the payment schedule below.

### **Fees and Costs**

6. Defendant shall also pay \$1,000 to the State of Colorado for costs and attorney fees pursuant to C.R.S. § 6-1-113(4) in accordance with the payment schedule below, which monies, and any interest thereon, shall be held in trust by the Attorney General to be used first for reimbursement of the State's actual costs and attorney fees and, second, to be held along with any interest thereon, in trust by the Attorney General for future consumer education, consumer fraud, or antitrust enforcement actions.

### **Payment Schedule**

7. Defendant shall pay \$2,000 in full for restitution/disgorgement no later than January 31, 2012, unless extended in writing and by mutual consent. Defendant shall then make monthly payments to the State of Colorado not less than \$333.33 beginning February 15, 2012 and on the 15th day of every month thereafter until the remaining \$2,000 is satisfied. Defendant may accelerate any of these payments at any time and in any amount with notice. After the \$2,000 restitution/disgorgement funds are paid, the Attorney General shall then allocate the next \$1,000 to payment of civil fines and the remaining \$1,000 to fees and costs.

## **Payment Instructions**

8. For each of the above payments, a certified check shall be made payable to the “Colorado Department of Law,” reference “William Schultz settlement,” and be delivered to:

Colorado Department of Law  
Attn: Don Finch  
Consumer Protection Section  
1525 Sherman Street  
Denver, Colorado 80203

9. If Defendant makes a partial payment under this Consent Judgment, the State’s acceptance of a partial payment does not prevent it from declaring the Consent Judgment breached and collecting the full amount due and to seek other remedies, including contempt and triggering the suspended final judgment below. In such event, the State shall be entitled to recover all its costs and attorney fees in collecting such amounts and pursuing relief under this Consent Judgment. Partial payments may be distributed at the discretion of the Attorney General and without the need for all future payments to be made.

## **DEFAULT PROVISION AND ENTRY OF FINAL JUDGMENT**

10. Subject to the exception in paragraph 11, if Defendant defaults on any monthly payment and such default is not cured within sixty (60) days, a stipulated final judgment shall enter by the Court for \$20,000 against Defendant and in favor of the State of Colorado. In the event of a final judgment entering, the State shall be entitled to recover its costs and attorney fees in collecting such amounts. The amounts collected pursuant to this judgment may be distributed at the discretion of the Attorney General and before the entire judgment is collected. The judgment shall be considered a debt for a fine, penalty, or forfeiture, payable to and for the benefit of a governmental unit, and not compensation for actual pecuniary loss.

11. If Defendant experiences a temporary financial hardship as a result of loss of employment, reduction in income, or a serious medical condition to him or a family member resulting in more than \$500 in out-of-pocket medical expenses per month, and is unable to make the full monthly payment in the Consent Judgment as a result, Defendant must (1) contact the State in writing as provided in paragraph 22 no later than ten (10) days after the monthly payment obligation deadline to explain and document his hardship; (2) if requested by the State, complete and submit to the State a Financial Statement under oath and any other documents or information requested by the State to substantiate any claimed hardship; (3) and demonstrate a good faith hardship for the inability to comply with the full payment obligation. The State has the sole discretion to determine whether Defendant has demonstrated a good faith temporary financial hardship and the duration of such hardship. If Defendant does not make a full monthly payment because of such hardship, it shall not affect or otherwise modify the total amount due and owing to the State, and the State has the sole discretion to modify the deadline on which the

total amount owing must be paid in full as set forth in paragraphs 5-7, but in no case shall the deadline be extended by more than six months.

12. In the event of default under this Consent Judgment, the State of Colorado need provide only notice, as provided herein, to Defendant and to the Court regarding the default, and the final judgment shall enter without any further proceedings, hearings, or argument. Defendant consents and stipulates to such final judgment entering and waives any process, objection, opportunity to be heard, or appeal.

### **VIOLATIONS OF THE CONSENT JUDGMENT**

13. For any violations of this Consent Judgment, the State also reserves all rights and remedies under the law, including C.R.S. § 6-1-112(1)(b), which shall be in addition to any other penalty or provision set forth herein.

14. If the State discovers that Defendant made a material misrepresentation regarding the income or assets on his Financial Statement or related documents, then the State may provide written notice to the Court and Defendant describing the material misrepresentation. Upon receiving such notice, the Defendant has ten (10) days to respond to the State's allegations. If the Court finds a material misrepresentation in the income and/or assets as described on the Financial Statement, the Court shall enter an order that accelerates all payments due hereunder and makes the entire amount immediately due and payable.

15. The obligations set forth in this Consent Judgment are continuing.

### **OTHER TERMS AND CONDITIONS**

16. **Enforcement.** This Court shall retain jurisdiction over this matter for the purposes of (a) enabling the State to apply, at any time, for enforcement of any provision of this Consent Judgment and for sanctions or other remedies for any violation of this Consent Judgment, including contempt; and (b) enabling any party to this Consent Judgment to apply, upon giving thirty (30) days written notice to all other Parties, for such further orders and directions as might be necessary or appropriate either for the construction or enforcement of this Consent Judgment or for the modification or termination of one or more injunctive provisions.

17. **Cooperation.** Defendant agrees to cooperate with all investigations and other proceedings that the State may bring to enforce the terms of this Consent Judgment, including within this cooperation agreement are the obligations to:

- (a) Appear at the request of the State for hearings, depositions, and trial and provide testimony in any form during the pendency of this action and in any post-trial proceedings. All such testimony shall be truthful;

(b) Produce documents, records, electronic records, or any other tangible things in response to a subpoena or other written request issued by the State; and

(c) Accept a subpoena from the State without need for service of process.

18. ***No Third Party Beneficiaries Intended.*** This Consent Judgment is not intended to confer upon any person any rights or remedies, including rights as a third-party beneficiary. This Consent Judgment is not intended to create a private right of action on the part of any person or entity other than the Parties hereto.

19. ***Private Parties Retain Rights.*** This Consent Judgment shall not be construed to affect the rights of any private party to pursue remedies pursuant to C.R.S. § 6-1-113, or under any other statute or common law.

20. ***No Release by Any Other Government Authority.*** Nothing in this Consent Judgment shall be construed to release claims by any other government authority.

21. ***Violation of this Consent Judgment.*** A violation of any of the terms of this Consent Judgment shall constitute a prima facie violation of the CCPA and shall, in addition to resulting in the payments detailed above, give rise to remedial and punitive sanctions available under Rule 107 of the Colorado Rules of Civil Procedure.

22. ***Service of Notices and Process.*** Service of notices or process required or permitted by this Consent Judgment shall be in writing and delivered on the following persons:

To Defendant:

William J. Schultz  
12036 Monaco Street  
Thornton, Colorado 80602

To the State of Colorado:

Andrew P. McCallin  
First Assistant Attorney General  
Colorado Department of Law  
1525 Sherman Street  
Denver, Colorado 80203

If Defendant changes his address or telephone number, he must notify the State in writing of the new address, telephone number or email address within thirty (30) days.

23. ***Waiver.*** The failure of any party to exercise any rights under this Consent Judgment shall not be deemed a waiver of any right or any future rights.

24. **Severability.** If any part of this Consent Judgment shall for any reason be found or held invalid or unenforceable by any court of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder hereof, which shall survive and be construed as if such invalid or unenforceable part had not been contained herein

25. **Conflict with Subsequent Law.** In the event that any applicable law conflicts with any provision hereof, making it impossible for Defendant to comply both with the law and with the provisions of this Consent Judgment, the provisions of the law shall govern.

26. **Counterparts.** This Consent Judgment may be signed in one or more counterparts, each of which shall be deemed an original, but which together shall constitute the Consent Judgment. Facsimile and electronic copies of this Consent Judgment and the signatures hereto may be used with the same force and effect as an original.

27. **Inurement.** This Consent Judgment is binding and inures to the benefit of the Parties hereto and their respective successors and assigns.

28. **Amendment.** This Consent Judgment may be amended solely by written agreement signed by the State and by the Defendant.

29. **No Other Representations.** There are no other representations, agreements or understandings between Defendant and the State that are not stated in writing herein.

IT IS SO ORDERED, ADJUDGED AND DECREED BY THIS COURT.

/s/ William J. Schultz

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WILLIAM J. SCHULTZ

Agreed to and accepted this 27th day of May 2011.

JOHN W. SUTHERS  
Attorney General

/s/ Erik R. Neusch

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ANDREW P. McCALLIN  
ERIK R. NEUSCH  
Colorado Attorney General's Office  
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